



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0261

Introduced 2/3/2005, by Sen. Jacqueline Y. Collins - Miguel del Valle - Ira I. Silverstein - Carole Pankau - Iris Y. Martinez, et al.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the amount of the earned income tax credit from 5% of the federal credit to: (i) 10% of the federal tax credit for taxable years beginning on or after January 1, 2005; (ii) 15% of the federal tax credit for taxable years beginning on or after January 1, 2007; and (iii) 20% of the federal tax credit for taxable years beginning on or after January 1, 2009. Effective immediately.

LRB094 06745 BDD 36845 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to:

13 (i) 5% of the federal tax credit for each taxable year
14 beginning on or after January 1, 2000 and ending on or
15 before December 31, 2004;

16 (ii) 10% of the federal tax credit for each taxable
17 year beginning on or after January 1, 2005 and ending on or
18 before December 31, 2006;

19 (iii) 15% of the federal tax credit for each taxable
20 year beginning on or after January 1, 2007 and ending on or
21 before December 31, 2008; and

22 (iv) 20% of the federal tax credit for each taxable
23 year beginning on or after January 1, 2009 and thereafter.

24 For a non-resident or part-year resident, the amount of the
25 credit under this Section shall be in proportion to the amount
26 of income attributable to this State.

27 (b) For taxable years beginning before January 1, 2003, in
28 no event shall a credit under this Section reduce the
29 taxpayer's liability to less than zero. For each taxable year
30 beginning on or after January 1, 2003, if the amount of the
31 credit exceeds the income tax liability for the applicable tax
32 year, then the excess credit shall be refunded to the taxpayer.

1 The amount of a refund shall not be included in the taxpayer's
2 income or resources for the purposes of determining eligibility
3 or benefit level in any means-tested benefit program
4 administered by a governmental entity unless required by
5 federal law.

6 (b-5) Refunds authorized by subsection (b) are subject to
7 the availability of funds from the federal Temporary Assistance
8 for Needy Families Block Grant and the State's ability to meet
9 its required Maintenance of Effort.

10 (c) This Section is exempt from the provisions of Section
11 250.

12 (Source: P.A. 93-534, eff. 8-18-03; 93-653, eff. 1-8-04.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.